



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 15.1.4
Halifax Regional Council
March 7, 2023

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Cathie O'Toole, Chief Administrative Officer

DATE: February 28, 2023

SUBJECT: Fees for Property Taxation Information

ORIGIN

This report has been initiated by staff as an option to increase revenue in 2023/24 and beyond, by implementing new fees for providing property taxation information.

LEGISLATIVE AUTHORITY

Halifax Regional Charter Section 102 states:

102 Subject to the approval of the Board for those services that are subject to the Public Utilities Act, the Council may, by by-law, prescribe charges for the provision of services for persons who use or benefit from the service, on a basis to be set out in the by-law.

RECOMMENDATION

It is recommended that Halifax Regional Council adopt *By-Law F-303*, amending *By-Law F-300*, a *By-Law Relating to Fees for the Provision of Taxation Information*, as set out in Attachment 2 of this report.

BACKGROUND

By-Law F-300, a *By-law Relating to Fees for the Provision of Taxation Information*, was passed in 2006 to prescribe charges for the provision of services for persons who use or benefit from the service. Charges currently included in this by-law are the provision of tax information to a financial institution, which is charged to financial institutions to process payments remitted on behalf of the institution's mortgage clients. This fee is proposed to stay at its existing charge of \$18 per account.

The recommendation in this report seeks to amend By-Law F-300 by adopting By-Law F-303 to increase the fee for a tax certificate from \$75.00 to \$100.00 and include a schedule of fees for an amount of \$15.00 for:

- Provision of tax information to current property owner;

- Provision of tax information to prior property owner;
- Refund of Tax Amount;
- Redistribution of Tax Payment; and
- Change of Power of Attorney on non-personal accounts.

DISCUSSION

Each year, the Municipality receives thousands of requests for taxation information which take time and resources to provide. There are numerous services HRM is currently providing free of charge to customers. The recommendation is to amend By-Law F-300 by adopting By-Law F-303 to introduce fees for the provision of these services by charging a \$15.00 fee per request and increasing the fee on tax certificates as outlined below.

| Service | Description |
|--|---|
| Property tax bill reprints (\$15) | Customers to be charged for reprint requests provided by mail or email outside of regular billing periods. Interim and final bills to continue to be provided free of charge. |
| Property tax statements (\$15) | Providing a history of tax payments and billings. |
| Redistribution of payments (\$15) | Moving an incorrect payment from one account to another. This fee will apply to customers who pay their own property taxes and mortgage companies who pay property taxes on behalf of their customers. When an erroneous account is paid by the mortgage company, the mortgage company will be charged the fee, not the property tax account owner. |
| Applying a power of attorney to account (\$15) | This charge will not apply for customers becoming power of attorney for family members; will primarily apply when commercial properties or large multi-unit residential properties request changing the power of attorney (for example, when they update their property manager to act on their behalf). |
| Refund request (\$15) | Charge to issue a refund cheque or electronic payment to customers (eg overpayment, exemption granted). No administrative fee will be charged to customers who leave their credit on their account to be applied to future taxes. |
| Tax certificate (increase from \$75 to \$100) | Fee for tax certificates was set at \$75 in July 1997 and has not increased since. |

Many municipalities across Nova Scotia and Canada charge similar fees for these services. For example, Cape Breton Regional Municipality and East Hants both charge a \$10.00 fee for reprinting a property tax bill. Some jurisdictions, such as Pictou County, don't provide a reprint of the property tax bill. Further information about charges for these services in other jurisdictions can be found in Attachment 1.

For clarity, staff will continue to provide property tax information over the phone to the property owner, at no charge, such as account status, amount owing, and any other requested property tax information that can be disseminated over the phone to the property owner. Customers will not be charged to receive their interim and final tax bills. These bills will continue to be provided free of charge. The fee will only apply to customers who contact the municipality requesting a bill reprint or tax information outside of the regular billing cycle. The fees will be collected via a website where customers will be able to initiate and pay for their request through a secure paywall. Customers will also have the option to go to a Customer Service Center for these requests if the requestor is unable to submit the request online.

FINANCIAL IMPLICATIONS

The recommendation is expected to generate additional revenue of approximately \$500,000 per year, as shown below in Table 1. The number of power of attorney changes is unknown at this time due to current system limitations so a projected revenue estimate is not available for this service. With the implementation of the recommendation, these requests will be tracked separately in HRM's new revenue system and accurate reporting of volumes by AAN will be available and the accuracy of future revenue projections will improve.

Table 1:

| Fee | 2019/20 Volume | 2020/21 Volume | 2021/22 Volume | 3 Year Average | Projected Revenue (3 yr avg) |
|--------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---|
| Property Tax Bill Reprints | 2,051 | 4,638 | 7,138 | 4,609 | \$ 69,135 |
| Property Tax Statements | 1,444 | 1,626 | 2,902 | 1,991 | \$ 29,860 |
| Refund Administrative Fee | 346 | 312 | 278 | 312 | \$ 4,680 |
| Tax Certificates | 22,126 | 19,617 | 16,385 | 19,376 | \$ <u>484,400</u> |
| Total Projected Revenue | | | | | \$ 588,075 |

There is a one time set up fee of \$30,000 to create the website, which has been budgeted for. There will also be ongoing merchant fees associated to process the transactions and these merchant fees have been budgeted for in bank charges.

RISK CONSIDERATION

No risks were identified as the additional fees pertaining to services requested and collection methods are considered best practices by other municipalities across the province and country.

COMMUNITY ENGAGEMENT

No community engagement was required.

ENVIRONMENTAL IMPLICATIONS

Customers who previously habitually disposed of their paper bill when received then subsequently requested a paper reprint may not request a reprint if there is an associated cost, which would reduce waste.

ALTERNATIVES

Regional Council could choose to:

1. Adopt *By-law F-303* with amendments. A supplementary staff report may be required to address amendments.
2. Not to approve the recommendation and not implement any additional fees or increase any fees

related to the provision of property tax information and the collection of property tax funds.

ATTACHMENTS

- Attachment 1: Jurisdictional Scan
 - Attachment 2: *By-law F-303, Amending By-law F-300*
 - Attachment 3: *By-law F-300, showing changes*
-

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Carolyn Penny, Senior Financial Consultant, Finance & Asset Management, 782.641.7172
Renee Towns, Director of Revenue, Treasurer, Finance & Asset Management, 902.293.7983

| Table 1: Fees in Other Jurisdictions | | | | | | |
|---|----------------------------------|-------------------------------|----------------------------------|----------------------------------|----------------------------------|------------------------|
| Municipality | Property Tax Bill Reprint | Property Tax Statement | Redistribution of Payment | Power of Attorney Changes | Refund Administrative Fee | Tax Certificate |
| Halifax | \$ 15.00 | \$ 15.00 | \$ 15.00 | \$ 15.00 | \$ 15.00 | \$ 100.00 |
| Calgary | | \$ 23.00 | | | | \$ 52.00 |
| Hamilton | \$ 12.60 | | \$ 36.73 | \$ 15.60 | | \$ 65.70 |
| Regina | | | \$ 15.00 | | | \$ 35.00 |
| Greater Sudbury | \$ 15.00 | \$ 15.00 | \$ 30.00 | | | \$ 110.00 |
| Toronto | \$ 19.87 | \$ 19.15 | \$ 46.76 | \$ 53.90 | \$ 41.70 | \$ 72.98 |
| Winnipeg | | | \$ 37.00 | | | \$ 60.00 |
| Ottawa | | \$ 39.00 | \$ 30.00 | \$ 47.00 | \$ 30.00 | \$ 73.00 |
| Windsor (Ontario) | | \$ 30.00 | | \$ 75.00 | | \$ 75.00 |
| Victoria | | | | \$ 30.53 | | \$ 67.79 |
| Vancouver | | | | \$ 30.53 | | \$ 92.79 |
| London | \$ 26.00 | \$ 35.00 | | | | \$ 59.00 |
| Cape Breton Regional Municipality | \$ 10.00 | \$ 10.00 | | | | \$ 75.00 |
| East Hants | \$ 10.00 | \$ 10.00 | | | | \$ 60.00 |
| West Hants | | \$ 20.00 | | | | \$ 50.00 |
| Average | \$ 15.50 | \$ 21.62 | \$ 30.07 | \$ 38.22 | \$ 28.90 | \$ 69.88 |

**HALIFAX REGIONAL MUNICIPALITY
BY-LAW F-303
RESPECTING THE AMENDMENT OF BY-LAW F-300, A BY-LAW
RELATED TO FEES FOR THE PROVISION OF TAXATION INFORMATION**

BE IT ENACTED by the Council of Halifax Regional Municipality that By-law F-300. A *By-law Relating to Fees for the Provision of Taxation Information*, is amended as follows:

1. Sections 3, 4, and 5 are repealed.
2. Sections 6, 7, and 8 are added after the newly repealed section 5 and prior the end of the By-law as follows:
 6. Fees for the provision of tax information shall be charged in accordance with Schedule A attached to this By-law and shall be paid in full by the applicant prior to the information being provided.
 7. The fees as listed in Schedule A attached to this By-law are subject to Federal and Provincial taxes where applicable.
 8. Any fees paid under this By-law are non-refundable.
3. Schedule A is attached after the signature line of the By-law as follows:

Schedule A

| Description of Fee Amount | Amount Per Tax Account |
|--|----------------------------|
| Issuance of a Tax Certificate | \$100.00 |
| Provision of tax information to current property owner | \$15.00 per year requested |
| Provision of tax information to prior property owner | \$15.00 per year requested |
| Provision of tax information to financial institution | \$18.00 |
| Refund of Tax Amount | \$15.00 |
| Redistribution of Tax Payment | \$15.00 |
| Change of Power of Attorney on non-personal accounts | \$15.00 |

Done and passed in Council this _____, 2023.

MAYOR

MUNICIPAL CLERK

I, Sherryll Murphy, Acting Municipal Clerk for the Halifax Regional Municipality, hereby certify that the above-noted by-law was passed at a meeting of the Halifax Regional Council held on September 6, 2016.

Iain MacLean, Municipal Clerk

Notice of Motion:

First Reading:

Public Hearing Publication:

Second Reading:

Approval of Service Nova Scotia and Municipal Relations:

Effective Date:

Halifax Regional Municipality
By-law F-300
A By-law Relating to Fees for the Provision of Taxation Information

WHEREAS pursuant to Section 102 of the *Halifax Regional Municipality Charter* Council may by by-law prescribe charges for the provision of services for persons who use or benefit from the service, on a basis to be set out in the by-law; and

WHEREAS the Municipality wishes to provide on an informal basis information requested from authorized parties regarding the status of taxes; and

BE IT THEREFORE ENACTED by the Council of the Halifax Regional Municipality as follows:

1. Information provided through this process is not certified nor expressly or impliedly warranted by the Halifax Regional Municipality. Parties requiring a guarantee confirming the status of tax accounts, must obtain a tax certificate at the applicable fee. It is the responsibility of the requesting party to determine whether or not they require a tax certificate for their purposes.
2. Information regarding the amount of outstanding taxes and penalties on an account will be provided, as outlined in paragraph 1, in response to requests made in writing and then only to the real property owners and/or their financial institution or legal representatives. Other parties requiring this information must apply for a tax certificate.
3. ~~Repealed There will be no charge for tax account status information provided, as outlined in paragraph 1, directly to the owner of the subject real property.~~
4. ~~Repealed An administration fee of \$18 plus applicable taxes per tax account per billing will be charged for the provision of tax account information provided to a financial institution in relation to the payment of tax accounts in which they have a mortgage interest.~~
5. ~~Repealed An administration fee of \$30 plus applicable taxes will be charged for the provision of tax account information pursuant to this by law in any other circumstances effective July 1, 2010.~~
6. Fees for the provision of tax information shall be charged in accordance with Schedule A attached to this By-law and shall be paid in full by the applicant prior to the information being provided.
7. The fees as listed in Schedule A attached to this By-law are subject to Federal and Provincial taxes where applicable.
8. Any fees paid under this By-law are non-refundable.

Done and passed by Council this 28th day of March, 2006.

MAYOR

MUNICIPAL CLERK

I, Jan Gibson, Municipal Clerk for the Halifax Regional Municipality, hereby certify that the above-noted by-law was passed at a meeting of the Halifax Regional Council held on, March 28, 2006.

| | |
|--|-----------------------------------|
| | Jan Gibson, Municipal Clerk |
| Notice of Motion: | Waivered by Council March 7, 2006 |
| First Reading: | March 7, 2006 |
| Notice of Public Hearing Publication: | March 11, 2006 |
| Second Reading: | March 28, 2006 |
| Approval of Service Nova Scotia and Municipal Relations: | N/A |
| Effective Date: | March 29, 2006 |

Amendment # 1

(By-law F-301) Sections 4 & 5

| | |
|--|----------------|
| Notice of Motion: | April 13, 2010 |
| First Reading: | April 20, 2010 |
| Notice of Public Hearing Publication: | May 1, 2010 |
| Second Reading: | May 18, 2010 |
| Approval of Service Nova Scotia and Municipal Relations: | N/A |
| Effective Date: (Advertised May 22, 2010) | July 1, 2010 |

Amendment # 2

(By-law F-302 Section 4)

| | |
|--|--------------------|
| Notice of Motion: | July 19, 2016 |
| First Reading: | July 26, 2016 |
| Notice of Public Hearing Publication: | August 20, 2016 |
| Second Reading: | September 6, 2016 |
| Approval of Service Nova Scotia and Municipal Relations: | N/A |
| Effective Date: | September 17, 2016 |

Schedule A

| Description of Fee Amount | Amount Per Tax Account |
|--|----------------------------|
| Issuance of a Tax Certificate | \$100.00 |
| Provision of tax information to current property owner | \$15.00 per year requested |
| Provision of tax information to prior property owner | \$15.00 per year requested |
| Provision of tax information to financial institution | \$18.00 |
| Refund of Tax Amount | \$15.00 |
| Redistribution of Tax Payment | \$15.00 |
| Change of Power of Attorney on non-personal accounts | \$15.00 |